

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6566**

**BILL NUMBER:** HB 1214

**NOTE PREPARED:** Dec 9, 2003

**BILL AMENDED:**

**SUBJECT:** Appeal of School Transportation Fund Maximum Levy.

**FIRST AUTHOR:** Rep. Ruppel

**BILL STATUS:** As Introduced

**FIRST SPONSOR:**

**FUNDS AFFECTED:**    **GENERAL**  
                          **X DEDICATED**  
                          **FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** This bill permits a school corporation to appeal to the Department of Local Government Finance one time to increase the school corporation's maximum Transportation Fund levy for the purpose of offsetting reduced state funding.

**Effective Date:** Upon passage.

**Explanation of State Expenditures:** The impact would depend on the amount of appeals approved by the Department of Local Government Finance. The reduction in state funds to local schools from CY 2003 to CY 2004 is about \$28.1 M. The Transportation Fund receives state Property Tax Replacement and Homestead Credits so the state would pay PTRC and Homestead Credits on the levy increase resulting from a successful appeal. If all schools appealed for the increase, the impact on the Property Tax Replacement Fund would be an increase in expenditures of about \$2 M for FY 2005 and \$5.8 M annually thereafter. State Property Tax Replacement and Homestead Credits are paid from the Property Tax Replacement Fund, which is annually supplemented by the state General Fund. Any additional Homestead credit expenditures would ultimately come from the General Fund.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:** The amount of increased revenue would depend on the amount and number of schools that appeal for an increase in their Transportation Fund levy due to the decrease in state revenue. Schools could appeal for an increase in their levy beginning in CY 2005. If all schools appealed, the maximum amount of the increase in levies for CY 2005 would be about \$28.1 M.

**State Agencies Affected:** Department of Local Government Finance.

**Local Agencies Affected:** Schools.

**Information Sources:** Department of Education Databases.

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